

Alternative Benefits Plan (ABP) for Medicaid Enrollees

- Since Deficit Reduction Act of 2005, states have had option to provide different coverage packages in Medicaid.
 - Formerly called “benchmark” coverage; Affordable Care Act (ACA) renamed as ABP
- Under ACA, expansion enrollees are enrolled in ABP.
 - State can choose to align ABP with traditional Medicaid (i.e., give full Medicaid benefits) or have separate ABP for expansion enrollees.
 - Most expansion states have aligned ABP with traditional Medicaid.
 - Makes sense for several reasons: administrative simplicity (and associated cost savings); reduce disruption when person moves among eligibility categories; ensure access to comprehensive benefits for those who need them.
 - New Mexico has chosen to implement a different benefit package for the ABP.
- New Mexico’s ABP is similar to full Medicaid but there are numerous differences.
 - Some benefits that are available in full Medicaid are not included in ABP.
 - Examples: hearing aids, vision care, some behavioral health services
 - Some benefits are included in ABP but are more limited than in full Medicaid.
 - Examples: home health care, cardiovascular rehabilitation, pulmonary therapy, medical supplies, physical/occupational/speech therapies
 - Some benefits (primarily preventive care) are included in ABP but not in full Medicaid, due to ACA requirement that ABP cover 10 categories of “essential health benefits”.
 - More extensive co-pays in ABP than full Medicaid.
- **ABP does not include long-term services, either in facility or in home/community.**
- Many are exempt from mandatory enrollment in ABP, including individuals who are “medically frail” or have “special medical needs”.
 - Federal regulations (42 CFR §430.315) require state’s definition of this group to include, at a minimum, **“individuals with disabling mental disorders, ... individuals with chronic substance use disorders, individuals with serious and complex medical conditions, [and] individuals with a physical, intellectual or developmental disability** that significantly impairs their ability to perform 1 or more activities of daily living”.
 - New Mexico doesn’t appear to have definition in regulations, contracts with the Centennial Care managed care organizations (MCOs), or Medicaid program manual.

- ABP-exempt individuals can choose ABP instead of traditional Medicaid benefits.
 - Must be informed and voluntary choice.
 - **According to HSD, 160,000 newly eligible adults had enrolled in Medicaid by end of July. Only 270 had been determined ABP-exempt.**

- Federal requirements (42 CFR §440.320)
 - State must “effectively inform” person “prior to enrollment” of ABP benefits and costs, how they compare to full Medicaid benefits/costs, that ABP enrollment voluntary, that person can disenroll from ABP and return to full Medicaid coverage at any time, and process to do so.
 - State must document in person’s eligibility file that s/he so informed prior to enrollment, given ample time to make informed choice, and voluntarily and affirmatively chose ABP.
 - Disenrollment: state must have process to act promptly on disenrollment requests and ensure access to full Medicaid benefits while disenrollment request is processed.

- HSD’s process falls short
 - All expansion enrollees automatically enrolled in ABP; exempt individuals must opt out, contrary to federal requirement that exempt enrollees must opt in.
 - Letter notifying individual of Medicaid eligibility includes notice regarding opt-out – adequate?
 - HSD’s process for disenrollment leaves the person in ABP coverage until the process is completed, contrary to the federal requirement that there be access to full Medicaid benefits while a disenrollment request is processed.

HSD’s approach creates barriers to access to long-term services for newly-eligible seniors and people with disabilities.

Shortcomings demonstrated by minuscule number of ABP-exempt enrollees.